



DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

31 CFR Part 515

Cuban Assets Control Regulations

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control ("OFAC") is amending the Cuban Assets Control Regulations to authorize the processing of funds transfers for the operating expenses or other official business of third-country diplomatic or consular missions in Cuba. OFAC also is amending the Cuban Assets Control Regulations to authorize certain payments for services rendered by Cuba to United States aircraft that currently require the issuance of a specific license.

DATES: Effective Date: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Assistant Director for Sanctions Compliance & Evaluation, tel.: 202/622-2490, Assistant Director for Licensing, tel.: 202/622-2480, Assistant Director for Policy, tel.: 202/622-4855, Office of Foreign Assets Control, or Chief Counsel (Foreign Assets Control), tel.: 202/622-2410, Office of the General Counsel, Department of the Treasury (not toll free numbers).

SUPPLEMENTARY INFORMATION:

Electronic and Facsimile Availability

This document and additional information concerning OFAC are available from OFAC's Web site (www.treasury.gov/ofac). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, tel.: 202/622-0077.

Background

The U.S. Government issued the Cuban Assets Control Regulations, 31 CFR part 515 (the "CACR"), on July 8, 1963, under the Trading With the Enemy Act (50 U.S.C. App. 5 et seq.).

Section 515.201 of the CACR prohibits, inter alia, all transfers of credit and all payments in which Cuba or a Cuban national has any interest of any nature whatsoever, direct or indirect, between, by, through, or to any banking institution wheresoever located, with respect to any property subject to the jurisdiction of the United States or by any person subject to the jurisdiction of the United States.

OFAC is amending the CACR to authorize the processing of funds transfers for the operating expenses or other official business of third-country diplomatic or consular missions in Cuba. OFAC also is amending the CACR to authorize certain payments for services rendered by Cuba to United States aircraft.

Third-country diplomatic and consular funds transfers. To ensure that the prohibitions in the CACR do not impede third-country diplomatic or consular activities in Cuba, OFAC is adding new section 515.579 to the CACR. This new section authorizes the processing of funds transfers otherwise prohibited by the CACR for the operating expenses or other official business of third-country diplomatic or consular missions in Cuba.

Services rendered by Cuba to United States aircraft. OFAC is amending section 515.548 of the CACR to add a general license authorizing payments in connection with overflights of Cuba or emergency landings in Cuba by United States aircraft. Prior to this amendment, such payments required the issuance of a specific license.

Public Participation

Because the amendment of the CACR involves a foreign affairs function, the provisions of Executive Order 12866 of September 30, 1993, and the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

Paperwork Reduction Act

The collections of information related to the CACR are contained in 31 CFR part 501 (the "Reporting, Procedures and Penalties Regulations"). Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information

have been approved by the Office of Management and Budget under control number 1505-0164. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

List of Subjects in 31 CFR Part 515

Aircraft, Banks, Banking, Cuba, Currency, Diplomatic and consular missions, Emergency landings, Overflights.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR part 515 as set forth below:

PART 515—CUBAN ASSETS CONTROL REGULATIONS

1. The authority citation for part 515 continues to read as follows:

Authority: 18 U.S.C. 2332d; 22 U.S.C. 2370(a), 6001-6010, 7201-7211; 31 U.S.C. 321(b); 50 U.S.C. App 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-114, 110 Stat. 785 (22 U.S.C. 6021-6091); Pub. L. 105-277, 112 Stat.

2681; Pub. L. 111-8, 123 Stat. 524; Pub. L. 111-117, 123 Stat. 3034; E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR, 1959-1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

2. Revise § 515.548 to read as follows:

§ 515.548 Services rendered by Cuba to United States aircraft.

Payment to Cuba of charges for services rendered by Cuba in connection with overflights of Cuba or emergency landings in Cuba by aircraft registered in the United States or owned or controlled by, or chartered to, persons subject to U.S. jurisdiction is authorized.

3. Add new § 515.579 to subpart E to read as follows:

§ 515.579 Third-country diplomatic and consular funds transfers.

Depository institutions, as defined in § 515.333, are authorized to process funds transfers for the operating expenses or other official business of third-country diplomatic or consular missions in Cuba.

Dated: _November 26_____, 2012

Adam J. Szubin,
Director, Office of Foreign Assets Control.

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